



Morning Alert - Thursday, August 9, 2018

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HEADLINES

Morning news

Most networks gave top play to reports on Typhoon Shanshan, which is slowly moving up the coast of the Kanto and Tohoku regions. TBS led with a report that Chairman Yamane of the Japan Amateur Boxing Federation announced on Wednesday that he will step down following a series of scandals.

All national dailies except Nikkei gave prominent top coverage to reports that Okinawa Governor Onaga passed away on Thursday at the age of 67 after being hospitalized due to pancreatic cancer.

SECURITY

Okinawa Governor Onaga passes away

All papers reported extensively on the death of Okinawa Governor Onaga on Wednesday, saying that a by-election to pick his successor will be held by late September. His sudden death came as a major shock to base opponents because they were planning to support his reelection bid in November. They reportedly need to find a candidate quickly to face off against Ginowan Mayor Sakima, who is expected to relinquish his municipal portfolio to seek the governorship with the backing of the Abe administration and the ruling coalition. Vice Governor Kiichiro Jahana, locally elected Upper House lawmaker Keiko Itokazu, and former Nago Mayor Susumu Inamine are being considered as potential candidates. Asahi

said it is uncertain whether the anti-base forces will be able to field a viable candidate because Onaga commanded strong support across the entire political spectrum due in part to his solid conservative credentials. Liberal-oriented candidates backed by Onaga and his supporters have been defeated in a number of mayoral elections in the island prefecture in the past few years. However, the Abe administration and the ruling LDP are reportedly concerned that anti-FRF groups may be galvanized by their leader's sudden death and wage a strong campaign in the upcoming by-election.

As for the late governor's plans to revoke the landfill permit for FRF construction by mid-August, the prefectural government reportedly plans to convene a hearing on the matter with the Defense Ministry today as scheduled. The two vice governors who were tasked with carrying out the gubernatorial duties right before Onaga died are reportedly authorized to decide on whether or not to withdraw the permit. Mainichi projected that the vice governors will probably rescind it out of deference to the deceased politician's resolve to block the FRF initiative.

According to Yomiuri, the Defense Ministry probably will probably not begin the landfill work as scheduled on Aug. 17 based on the assessment that the Abe administration could be criticized by local voters for capitalizing on the death of the anti-FRF leader and that this would put Mayor Sakima in a disadvantageous position in the by-election. Nikkei opined that if Sakima prevails in the gubernatorial race, the FRF construction will probably proceed smoothly; but if he loses the envisaged goal of returning MCAS Futenma in FY2022 at the earliest upon completion of the FRF construction could be significantly delayed.

ECONOMY

Japan “on the defensive” in trade talks with the U.S.

Asahi ran a prominent article on the planned start in Washington on Friday (Japan time) of new trade talks between the USG and the GOJ, projecting that Japan will probably be on the defensive amid mounting pressure from the Trump administration to conclude a bilateral FTA. The daily forecast that in addition to U.S. beef imports, auto trade will probably be high on the agenda, speculating that instead of imposing the proposed tariffs, which the daily claimed appear to be very unpopular even in American industrial circles, the Trump administration may ask Japan to voluntarily limit auto exports. The daily wrote that USTR Lighthizer, the chief U.S. negotiator, has been credited with successfully persuading Japan to accept voluntary restrictions of steel exports to the U.S. market when he was Deputy USTR under the Reagan administration in the 1980s. While noting that it will be difficult for

Japan, which Prime Minister Abe has described as a “leading advocate of free trade,” to embrace the idea since voluntary restrictions run counter to WTO rules, the article suggested that the GOJ may eventually accept it in order to “share the pain.” The paper also conjectured that the Japanese side may offer to purchase more U.S. defense hardware and LNG to head off U.S. pressure.

Nikkei published a similar story, explaining that some GOJ officials may be prepared to reduce tariffs on American agricultural imports to some extent in order to forestall potential auto tariffs. The paper added that the first round of the so-called “free, fair, and reciprocal” (FFR) talks may be extended to two days depending on the progress being made.

NHK also reported on the upcoming first round of FFR trade talks, saying that the Japanese side is planning to tenaciously emphasize the significance of a multilateral free trade regime with the possibility of the U.S. returning to the TPP in mind. The network claimed that the Japanese side is also planning to explain that Japanese companies are creating large numbers of jobs in the U.S. in response to the alleged U.S. plan to impose higher tariffs on auto imports. The network projected that Washington will ask Tokyo to help reduce the U.S. trade deficit, adding that it may call on Japan to increase Japanese automakers’ production in the U.S. or increase imports of U.S. automobiles. On agriculture, the network opined that the Trump administration is likely to urge Japan to enter bilateral FTA talks and reduce tariffs on agricultural products. The network added that the new trade talks are likely to be tumultuous.

INTERNATIONAL

Japan urging foreign governments to crack down on “ship-to-ship” transfers involving DPRK

Nikkei wrote that the GOJ is concerned that international sanctions on the DPRK may have begun to lose their effectiveness as China and Russia have apparently been condoning greater trade with North Korea following the summit between President Trump and Chairman Kim Jong Un in June. The daily said Tokyo is particularly concerned about a steady increase in transfers of sanctioned materials between North Korean and other ships. The daily highlighted Prime Minister Abe’s meeting with UN Secretary General Guterres at the Kantei yesterday, noting that the two leaders agreed to fully enforce relevant sanctions resolutions to curb North Korea’s illicit transactions at sea. Foreign Minister Kono also asked the participants of the recent ASEAN Regional Forum ministerial meeting in Singapore for

continued cooperation to prevent North Korea from finding “loopholes” in the global coalition against it.

U.S. group says DPRK’s dismantling of missile site is “reversible”

Yomiuri took up an announcement made on Tuesday by the U.S. research group “38 North” that North Korea is apparently continuing to dismantle a missile test site at Sohae, about 200 km northwest of Pyongyang. The group confirmed through analyzing the latest satellite imagery that the North Koreans are continuing to tear down the steel base structure of the vertical engine test stand and remove parts of the launch pad. But the group stressed that “these activities, however, must be viewed cautiously as ‘first steps’ since neither are presently permanent or irreversible.”

South Korea’s No. 2 to attend “Comfort Women Day” ceremony

Asahi wrote from Seoul that the ROK government announced yesterday that Prime Minister Lee will attend a “Comfort Women Day” event on Aug. 14 as the chief government representative, noting that the GOJ has objected to the planned ceremony on the grounds that it runs counter to the spirit of the bilateral comfort women agreement. The paper speculated that President Moon may have decided not to attend the event in order to avoid damaging ties with Japan.

